

Message Text

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15

ACTION OES-04

INFO OCT-01 EUR-12 ISO-00 L-02 HEW-02 FEA-01 PA-01 PRS-01

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EPA-01 INR-07 IO-10 NSF-01 NSC-05 NSAE-00 PM-03 SS-15

SP-02 OMB-01 TRSE-00 /083 W
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R 211556Z FEB 75

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 5286

INFO USMISSION EC BRUSSELS

AMCONSUL AMSTERDAM

AMCONSUL ROTTERDAM

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E.O. 11652: N/A

TAGS: EIND, SENV, NL, US

SUBJ: OXIRANE CASE

REF: THE HAGUE 0765

1. ON MORNING OF FEBRUARY 17, TOGETHER WITH CONGEN CHRISTIANO, I CALLED ON MAYOR VAN DER LOUW OF ROTTERDAM (ALDERMAN VAN DER POLS, CONCERNED WITH CITY'S PORT AND ECONOMIC AFFAIRS, WAS ALSO PRESENT) TO EXPRESS VIEW THAT NEITHER SIDE WOULD BENEFIT IF MATTER WAS PUSHED INTO COURT. I REAISED CONCERN ABOUT POSSIBLE EFFECT ON BUSINESS RELATIONSHIPS BETWEEN THE CITY OF ROTTERDAM AND LOCAL AMERICAN INDUSTRY, AND POINTED OUT THE FACTS THAT NO ONE HAD BEEN HURT IN THE DECEMBER 1 INCIDENT, THAT THERE HAD BEEN NO DAMAGE, AND THAT ACCORDING TO COMPANY THERE HAD BEEN NO REAL DANGER. MAYOR AND VAN DER POLS NOTED THE VERY EXTENSIVE INVESTMENT ROTTERDAM HAD MADE IN FACILITIES FOR COPING WITH POSSIBLE DISASTERS IN ITS HEAVILY INDUSTRIALIZED SECTORS AND THE GREAT DISMAY THEY LIMITED OFFICIAL USE

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AND CITY EXECUTIVE COUNCIL FELT WHEN LEARNING OXIRANE

HAD NOT CALLED THEM INTO ACTION AND HAD NOTIFIED THE AUTHORITIES ONLY AFTER FIRST HAVING BEEN CALLED BY THEM. THEY ALSO CITED PERTINENT PROVISIONS OF THE ROTTERDAM CITY LEASE WITH OXIRANE AND THE DUTY HE AND EXECUTIVE COMMITTEE FELT TO INVOKE THEM.

2. IN FURTHER DISCUSSION MAYOR SAID HE PREPARED TO RECOMMEND CUTTING FINE IN HALF (TO 900,000 DOLLARS). HE LATER INDICATED HE WOULD BE AGREEABLE TO CONSIDERING MY SUGGESTION THAT A SPECIAL COMMITTEE OF GOVERNMENT, MUNICIPALITY AND OXIRANE REPRESENTATIVES BE ESTABLISHED TO GATHER FACTS AND TO MAKE RECOMMENDATIONS INCLUDING FOR NEW OR ADDITIONAL SAFETY PRECAUTIONS TO PRECLUDE RECURRENCE, MEANWHILE HOLDING IN ABEYANCE ISSUE OF AND AMOUNT OF FINE. WHEN MAYOR RECOMMENDED THAT SUCH A PROPOSAL COME FROM OXIRANE BY LETTER, I SAID I WOULD DISCUSS WITH THE FIRM. MEETING WAS CONGENIAL THROUGHOUT.

3. MAYOR DURING THE MEETING CONFIRMED INFORMATION WE PREVIOUSLY HAD HAD FROM OXIRANE THAT THE MUNICIPALITY AT INTERVENTION OF ROTTERDAM DISTRICT JUDGE HAD AGREED RESCIND 30-DAY DEADLINE FOR PAYMENT OF FINE AND IN EFFECT TO DEFER QUESTION OF FINE UNTIL OXIRANE APPEAL TO FULL CITY COUNCIL HAD BEEN HEARD AND DECIDED. ACCORDINGLY, THE FEBRUARY 18 COURT HEARING REPORTED PARA 4 REFTEL WAS CANCELED.

4. FOREGOING WAS DISCUSSED AT LENGTH WITH OXIRANE COUNSEL VINCENT GORMAN WHO ON FEBRUARY 18 ADDRESSED LETTER TO MAYOR AND EXECUTIVE COUNCIL PROPOSING THE SPECIAL COMMITTEE AND ASKING THAT FINE BE SUSPENDED UNTIL IT HAD CONCLUDED ITS REPORT. OXIRANE SUBSEQUENTLY HAD A DIRECT MEETING WITH MAYOR AND VAN DER POLS ARRANGED BY CONGEN WHO ALSO PARTICIPATED. IT WAS AGREED LET CASE REST DORMAN FOR 5-6 DAYS WHILE GORMAN RETURNED TO THE US FOR CONSULTATION. GORMAN EXPRESSED PLEASURE WITH MEETING AND TREND OF NEGOTIATIONS.

5. CONCERNED THAT INTERESTS OF OTHER AMERICAN BUSINESSES HAVING LEASES WITH CITY SIMILAR TO OXIRANE'S COULD BE LIMITED OFFICIAL USE

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PREJUDICED BY PRECEDENT IF OXIRANE ACKNOWLEDGED VALIDITY OF CITY CLAIM BY PAYMENT OF FINE, EVEN OF A NOMINAL AMOUNT, I RECOMMENDED TO GORMAN, PRIOR TO HIS DEPARTURE, THAT OXIRANE NEITHER PAY NOR OFFER TO PAY FINE AS YET. HOWEVER, RECENT CHECKS WITH SAMPLING OF AMERICAN BUSINESS INTERESTS IN ROTTERDAM AND SOME KEY DUTCH INDUSTRIALISTS INDICATES NEITHER DUTCH NOR AMERICAN BUSINESS WOULD CONSIDER TOKEN PAYMENT BY OXIRANE OF UP TO 100,000 DOLLARS

PREJUDICIAL TO THEIR INTERESTS PROVIDED PAYMENT IS NOT TO
BE TREATED AS EXPRESSION OF LIABILITY BY OXIRANE.
GOULD

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